



General Assembly

February Session, 2002

Amendment

LCO No. **5457**

SB0049905457HD0

Offered by:

REP. PAWELKIEWICZ, 49th Dist.

(As Amended by Senate Amendment Schedules "A" and "B")

To: Subst. Senate Bill No. **499**

File No. 531

Cal. No. 465

"AN ACT CONCERNING MUNICIPAL TAX COLLECTION."

1 After the last section, insert the following:

2 "Sec. 3. Section 8-134 of the general statutes, as amended by section
3 2 of public act 01-179, is repealed and the following is substituted in
4 lieu thereof (*Effective July 1, 2002*):

5 For the purpose of carrying out or administering a redevelopment
6 plan or other functions authorized under this chapter, a municipality,
7 acting by and through its redevelopment agency, is hereby authorized,
8 subject only to the limitations and procedures set forth in this section,
9 to issue from time to time bonds of the municipality which are payable
10 solely from and secured by: (a) A pledge of and lien upon any or all of
11 the income, proceeds, revenues and property of redevelopment
12 projects, including the proceeds of grants, loans, advances or
13 contributions from the federal government, the state or other source,
14 including financial assistance furnished by the municipality or any

15 other public body pursuant to section 8-135; (b) taxes or payments in
16 lieu of taxes, or both, in whole or in part, allocated to and paid into a
17 special fund of the municipality pursuant to the provisions of section
18 8-134a; or (c) any combination of the methods in subsections (a) and (b)
19 of this section. For the purposes of a specified project only, the
20 Connecticut Development Authority may, upon a resolution with
21 respect to such project adopted by the legislative body of the
22 municipality, issue and administer bonds which are payable solely or
23 in part from and secured by the pledge and security provided for in
24 this section subject to the general terms and provisions of law
25 applicable to the issuance of bonds by the Connecticut Development
26 Authority, except that the provisions of subsection (b) of section 32-23j
27 shall not apply. Any bonds payable and secured as provided in this
28 section shall be authorized by a resolution adopted by the legislative
29 body of the municipality, notwithstanding the provisions of any other
30 statute, local law or charter governing the authorization and issuance
31 of bonds generally by the municipality. No such resolution shall be
32 adopted until after a public hearing has been held upon such
33 authorization. Notice of such hearing shall be published not less than
34 five days prior to such hearing in a newspaper having a general
35 circulation in the municipality. Such bonds shall be issued and sold in
36 such manner; bear interest at such rate or rates, including variable
37 rates to be determined in such manner as set forth in the proceedings
38 authorizing the issuance of the bonds; provide for the payment of
39 interest on such dates, whether before or at maturity; be issued at,
40 above or below par; mature at such time or times not exceeding [forty]
41 thirty years from their date in [the case of bonds issued to finance
42 housing and facilities related thereto or thirty years from their date in]
43 all [other] cases; have such rank or priority; be payable in such
44 medium of payment; be issued in such form, including, without
45 limitation, registered or book-entry form, carry such registration and
46 transfer privileges and be made subject to purchase or redemption
47 before maturity at such price or prices and under such terms and
48 conditions, including the condition that such bonds be subject to
49 purchase or redemption on the demand of the owner thereof; and

50 contain such other terms and particulars as the legislative body of the
51 municipality or the officers delegated such authority by the legislative
52 body of the municipality body shall determine. Notwithstanding the
53 provisions of the general statutes or any special act, charter or home
54 rule ordinance, a municipality may authorize deferment of the
55 principal for not more than five years and a repayment schedule based
56 on the occupancy of the project. The proceedings under which bonds
57 are authorized to be issued may, subject to the provisions of the
58 general statutes, contain any or all of the following: (1) Provisions
59 respecting custody of the proceeds from the sale of the bonds and any
60 bond anticipation notes, including any requirements that such
61 proceeds be held separate from or not be commingled with other funds
62 of the municipality; (2) provisions for the investment and reinvestment
63 of bond proceeds until such proceeds are used to pay project costs and
64 for the disposition of any excess bond proceeds or investment earnings
65 thereon; (3) provisions for the execution of reimbursement agreements,
66 or similar agreements, in connection with credit facilities, including,
67 but not limited to, letters of credit or policies of bond insurance,
68 remarketing agreements and agreements for the purpose of
69 moderating interest rate fluctuations; (4) provisions for the collection,
70 custody, investment, reinvestment and use of the pledged revenues or
71 other receipts, funds or moneys pledged for payment of bonds as
72 provided in this section; (5) provisions regarding the establishment
73 and maintenance of reserves, sinking funds and any other funds and
74 accounts as shall be approved by the legislative body of the
75 municipality in such amounts as may be established by the legislative
76 body of the municipality and the regulation and disposition thereof,
77 including requirements that any such funds and accounts be held
78 separate from or not be commingled with other funds of the
79 municipality; (6) covenants for the establishment of maintenance
80 requirements with respect to facilities and properties; (7) provisions for
81 the issuance of additional bonds on a parity with bonds issued prior to
82 the issuance of such additional bonds, including establishment of
83 coverage requirements with respect to such bonds as herein provided;
84 (8) provisions regarding the rights and remedies available to the bond

85 owners, note owners or any trustee under any contract, loan
86 agreement, document, instrument or trust indenture in case of a
87 default, including the right to appoint a trustee to represent their
88 interests upon occurrence of any event of default, as defined in any
89 such default proceedings, provided that if any bonds or bond
90 anticipation notes are secured by a trust indenture, the respective
91 owners of such bonds or notes shall have no authority except as set
92 forth in such trust indenture to appoint a separate trustee to represent
93 them; and (9) other provisions or covenants of like or different
94 character from the foregoing which are consistent with this section and
95 which the legislative body of the municipality determines in such
96 proceedings are necessary, convenient or desirable in order to better
97 secure the bonds or bond anticipation notes, or will tend to make the
98 bonds or bond anticipation notes more marketable, and which are in
99 the best interests of the municipality. Any provisions which may be
100 included in proceedings authorizing the issuance of bonds under this
101 section may be included in an indenture of trust duly approved in
102 accordance with this section which secures the bonds and any notes
103 issued in anticipation thereof, and in such case the provisions of such
104 indenture shall be deemed to be a part of such proceedings as though
105 they were expressly included therein. Any pledge made by the
106 municipality shall be valid and binding from the time when the pledge
107 is made, and any revenues or other receipts, funds or moneys so
108 pledged and thereafter received by the municipality shall be subject
109 immediately to the lien of such pledge without any physical delivery
110 thereof or further act. The lien of any such pledge shall be valid and
111 binding as against all parties having claims of any kind in tort, contract
112 or otherwise against the municipality, irrespective of whether such
113 parties have notice of such lien. Neither the resolution nor any other
114 instrument by which a pledge is created need be recorded. The
115 legislative body of the municipality may enter into a trust indenture by
116 and between the municipality and a corporate trustee, which may be
117 any trust company or bank having the powers of a trust company
118 within or without the municipality. Such trust indenture may contain
119 such provisions for protecting and enforcing the rights and remedies

120 of the bond owners and note owners as may be reasonable and proper
121 and not in violation of law, including covenants setting forth the duties
122 of the municipality in relation to the exercise of its powers pursuant to
123 this section and the custody, safeguarding and application of all
124 moneys. The municipality may provide by such trust indenture for the
125 payment of the pledged revenues or other receipts, funds or moneys to
126 the trustee under such trust indenture or to any other depository, and
127 for the method of disbursement thereof, with such safeguards and
128 restrictions as it may determine. All expenses incurred in carrying out
129 such trust indenture may be treated as project costs. Such bonds shall
130 not be included in computing the aggregate indebtedness of the
131 municipality, provided, if such bonds are made payable, in whole or in
132 part, from funds contracted to be advanced by the municipality, the
133 aggregate amount of such funds not yet appropriated to such purpose
134 shall be included in computing the aggregate indebtedness of the
135 municipality. As used in this section, "bonds" means any bonds,
136 including refunding bonds, notes, interim certificates, debentures or
137 other obligations. For purposes of this section and section 8-134a,
138 references to the Connecticut Development Authority shall include
139 any subsidiary of the Connecticut Development Authority established
140 pursuant to subsection (l) of section 32-11a.

141 Sec. 4. Subsection (a) of section 8-192 of the general statutes is
142 repealed and the following is substituted in lieu thereof (*Effective July*
143 *1, 2002*):

144 (a) For the purpose of carrying out or administering a development
145 plan or other functions authorized under this chapter, a municipality,
146 acting by and through its development agency, is authorized, subject
147 only to the limitations and procedures set forth in this section, to issue
148 from time to time bonds of the municipality which are payable solely
149 from and secured by: (1) A pledge of and lien upon any or all of the
150 income, proceeds, revenues and property of development projects,
151 including the proceeds of grants, loans, advances or contributions from
152 the federal government, the state or other source, including financial
153 assistance furnished by the municipality or any other public body

154 pursuant to this chapter; (2) taxes or payments in lieu of taxes, or both,
155 in whole or in part, allocated to and paid into a special fund of the
156 municipality pursuant to the provisions of section 8-192a; or (3) any
157 combination of the methods in subdivisions (1) and (2) of this section.
158 Any bonds payable and secured as provided in this subsection shall be
159 authorized and the appropriation of the proceeds thereof approved by
160 a resolution adopted by the legislative body of the municipality,
161 notwithstanding the provisions of any other statute, local law or
162 charter governing the authorization and issuance of bonds and the
163 appropriation of the proceeds thereof generally by the municipality.
164 No such resolution shall be adopted until after a public hearing has
165 been held upon such authorization. Notice of such hearing shall be
166 published not less than five days prior to such hearing in a newspaper
167 having a general circulation in the municipality. Such bonds shall be
168 issued and sold in such manner; bear interest at such rate or rates,
169 including variable rates to be determined in such manner as set forth
170 in the proceedings authorizing the issuance of the bonds; provide for
171 the payment of interest on such dates, whether before or at maturity;
172 be issued at, above or below par; mature at such time or times not
173 exceeding [forty] thirty years from their date in [the case of bonds
174 issued to finance housing and facilities related thereto or thirty years
175 from their date in] all [other] cases; have such rank or priority; be
176 payable in such medium of payment; be issued in such form,
177 including, without limitation, registered or book-entry form; carry
178 such registration and transfer privileges and be made subject to
179 purchase or redemption before maturity at such price or prices and
180 under such terms and conditions, including the condition that such
181 bonds be subject to purchase or redemption on the demand of the
182 owner thereof; and contain such other terms and particulars as the
183 legislative body of the municipality or the officers delegated such
184 authority by the legislative body of the municipality shall determine.
185 Notwithstanding the provisions of the general statutes or any special
186 act, charter or home rule ordinance, a municipality may authorize
187 deferment of the principal for not more than five years and a
188 repayment schedule based on the occupancy of the project. The

189 proceedings under which bonds are authorized to be issued may,
190 subject to the provisions of the general statutes, contain any or all of
191 the following: (A) Provisions respecting custody of the proceeds from
192 the sale of the bonds and any bond anticipation notes, including any
193 requirements that such proceeds be held separate from or not be
194 commingled with other funds of the municipality; (B) provisions for
195 the investment and reinvestment of bond proceeds until such proceeds
196 are used to pay project costs and for the disposition of any excess bond
197 proceeds or investment earnings thereon; (C) provisions for the
198 execution of reimbursement agreements, or similar agreements, in
199 connection with credit facilities, including, but not limited to, letters of
200 credit or policies of bond insurance, remarketing agreements and
201 agreements for the purpose of moderating interest rate fluctuations;
202 (D) provisions for the collection, custody, investment, reinvestment
203 and use of the pledged revenues or other receipts, funds or moneys
204 pledged for payment of bonds as provided in this section; (E)
205 provisions regarding the establishment and maintenance of reserves,
206 sinking funds and any other funds and accounts as shall be approved
207 by the legislative body of the municipality in such amounts as may be
208 established by the legislative body of the municipality, and the
209 regulation and disposition thereof, including requirements that any
210 such funds and accounts be held separate from or not be commingled
211 with other funds of the municipality; (F) covenants for the
212 establishment of maintenance requirements with respect to facilities
213 and properties; (G) provisions for the issuance of additional bonds on
214 a parity with bonds issued prior to the issuance of such additional
215 bonds, including establishment of coverage requirements with respect
216 to such bonds as herein provided; (H) provisions regarding the rights
217 and remedies available in case of a default to the bond owners, note
218 owners or any trustee under any contract, loan agreement, document,
219 instrument or trust indenture, including the right to appoint a trustee
220 to represent their interests upon occurrence of any event of default, as
221 defined in any such default proceedings, provided that if any bonds or
222 bond anticipation notes are secured by a trust indenture, the respective
223 owners of such bonds or notes shall have no authority except as set

224 forth in such trust indenture to appoint a separate trustee to represent
225 them; and (I) other provisions or covenants of like or different
226 character from the foregoing which are consistent with this section and
227 which the legislative body of the municipality determines in such
228 proceedings are necessary, convenient or desirable in order to better
229 secure the bonds or bond anticipation notes, or will tend to make the
230 bonds or bond anticipation notes more marketable, and which are in
231 the best interests of the municipality. Any provisions which may be
232 included in proceedings authorizing the issuance of bonds under this
233 section may be included in an indenture of trust duly approved in
234 accordance with this section which secures the bonds and any notes
235 issued in anticipation thereof, and in such case the provisions of such
236 indenture shall be deemed to be a part of such proceedings as though
237 they were expressly included therein. Any pledge made by the
238 municipality shall be valid and binding from the time when the pledge
239 is made, and any revenues or other receipts, funds or moneys so
240 pledged and thereafter received by the municipality shall be subject
241 immediately to the lien of such pledge without any physical delivery
242 thereof or further act. The lien of any such pledge shall be valid and
243 binding as against all parties having claims of any kind in tort, contract
244 or otherwise against the municipality, irrespective of whether such
245 parties have notice of such lien. Neither the resolution nor any other
246 instrument by which a pledge is created need be recorded. The
247 legislative body of the municipality may enter into a trust indenture by
248 and between the municipality and a corporate trustee, which may be
249 any trust company or bank having the powers of a trust company
250 within or without the municipality. Such trust indenture may contain
251 such provisions for protecting and enforcing the rights and remedies
252 of the bond owners and note owners as may be reasonable and proper
253 and not in violation of law, including covenants setting forth the duties
254 of the municipality in relation to the exercise of its powers pursuant to
255 this section and the custody, safeguarding and application of all
256 moneys. The municipality may provide by such trust indenture for the
257 payment of the pledged revenues or other receipts, funds or moneys to
258 the trustee under such trust indenture or to any other depository, and

259 for the method of disbursement thereof, with such safeguards and
260 restrictions as it may determine. All expenses incurred in carrying out
261 such trust indenture may be treated as project costs. Such bonds shall
262 not be included in computing the aggregate indebtedness of the
263 municipality, provided, if such bonds are made payable, in whole or in
264 part, from funds contracted to be advanced by the municipality, the
265 aggregate amount of such funds not yet appropriated to such purpose
266 shall be included in computing the aggregate indebtedness of the
267 municipality. As used in this section, "bonds" means any bonds,
268 including refunding bonds, notes, temporary notes, interim
269 certificates, debentures or other obligations. Temporary notes issued in
270 accordance with this subsection in anticipation of the receipt of the
271 proceeds of bond issues may be issued for a period of not more than
272 five years and notes issued for a shorter period of time may be
273 renewed by the issue of other notes, provided the period from the date
274 of the original notes to the maturity of the last notes issued in renewal
275 thereof shall not exceed five years."